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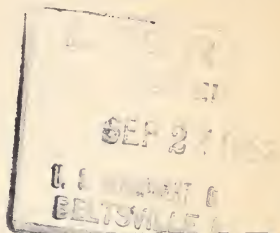
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SEPTEMBER 1963

Vol. 47, No. 9

Statistical Reporting Service
U.S. Department of Agriculture

Agricultural Situation



IMPROVEMENTS IN STANDARDS FOR WHEAT GRADES PROPOSED

Wheatgrowers have a big stake in the proposed changes in the official U.S. standards for wheat, which the U.S. Department of Agriculture announced in August.

The proposals have resulted from a comprehensive review of the present standards made by USDA during the

past 2 years in cooperation with members of the wheat industry, State departments of agriculture, and State and commercial grain inspection agencies.

The proposals would adjust the standards to improvements that have been made in cultural and handling



Proposed changes would adjust U.S. wheat standards to the improvements in cultural and handling practices in growing wheat and to the better quality wheat crops produced as a result.

practices in the growing of wheat and the better quality farm crop that has resulted. They consider the improvements that have been made in the methods of drying, cleaning, and handling grain, as well as the methods of measuring quality.

The proposals call for narrowing the quality range within each grade of wheat.

Maximum limits for total defects—damaged kernels, foreign material, and shrunken and broken kernels—would be set for grades Nos. 1 through 5. The limits of shrunken and broken kernels would be lowered, too. Both these changes would reduce the amount of unmillable material permitted under the present standards, to improve the quality of wheat going into marketing channels.

Dockage would be reported by whole and half percent, instead of only by whole percent as at present, to better reflect quality.

Wheat with more than 13.5 percent moisture, which normally can't be stored without going out of condition, would go into the special grade, "Tough."

Higher-than-normal test weights per bushel—62 pounds per bushel for hard red winter wheat, for instance—would be recognized by providing for a special grade, "Heavy," for grades Nos. 1, 2, and 3 of five classes of wheat.

The smut dockage method for appraising the quantity of smut in a lot of wheat under the standards would be discontinued. Reason: Varieties of wheat have now been developed that are practically smut free. And the

commercial practice of scouring to remove smut—once common in the Pacific Northwest—is no longer used.

The subclass Western White Wheat would be changed to "Mixed White Wheat"—a more descriptive name, because of the variation in the amount of white club wheat this subclass may contain.

Another change would eliminate Western Red Wheat in the official standards, since it's no longer produced.

Wheatgrowers are invited to give their views of the proposals at a series of public hearings. Here's the schedule: Kansas City, Mo., October 1; Minneapolis, Minn., October 4; Portland, Oreg., October 8; and Toledo, Ohio, October 11.

If you can't make the meetings, you can send your comments by mail. Address them to the Grain Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C., 20250. Deadline is October 31. Copies of the proposed changes in the standards are available from that same address.

Proponents of the changes say they're needed to hold and expand our important markets for wheat abroad. About half the total U.S. crop moves to foreign markets.

U.S. wheat is up against increasing competition for these important markets, and we need to give wheat buyers more dependable quality if we want to hold our fair share of the world's wheat trade.

Walter A. Davidson
Agricultural Marketing Service



The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

The *Agricultural Situation* is a monthly publication of the Statistical Reporting Service, United States Department of Agriculture, Washington, D.C. The printing of this publication has been approved by the Bureau of the Budget (January 8, 1959). Single copy 5 cents, subscription price 50 cents a year, foreign \$1, payable in check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

FARM RECEIPTS AND EXPENSES UP

Cash Receipts Higher

Cash receipts from farm marketings through July this year were estimated about \$200 million higher than the January-July 1962 period. Receipts from crop marketings, at \$6.7 billion, were up about \$250 million from the first 7 months of last year; both crop prices and the volume of crop marketings showed some increase. Cash receipts from marketings of livestock and livestock products were estimated at \$11.0 billion through July—down about \$50 million from a year earlier mainly due to lower prices for meat animals.

For individual commodities, farmers' cash receipts from marketings in January-July 1963 were well above a year ago for cotton, soybeans, tobacco, eggs, and broilers. Lower receipts were indicated from marketings of hogs, dairy products, and truck crops. For the important cattle-and-calves item, which makes up about 23 percent of total cash receipts from marketings, indications pointed to little change in receipts from a year earlier through July 1963 as a large volume of marketings about offset lower prices.

Government payments to farmers through June this year totaled \$400 million compared with about \$500 million in the same period of 1962. However, Government payments to farmers for the entire year are expected to be higher than the \$1.7 billion total of 1962. Feed Grain and Wheat Stabilization Program payments during 1963 are expected to total slightly above the \$1.1 billion paid out in 1962. Direct payments under all programs to farmers this year will provide about one-

twentieth of total cash receipts received from farm operations.

Expenses Rising

Production expenses through July this year were above those of a year earlier. Farmers' total outlays for the farm business were estimated at a seasonally adjusted annual rate of just over \$28.5 billion during January-June 1963, or about \$0.5 billion above the January-June 1962 rate. Prices paid by farmers for production items, interest, taxes, and wage rates averaged about 2 percent more than a year earlier through July this year. Unit costs for feed, seed, motor vehicles, and farm machinery were up more than the average increase shown for all production items. On the other hand, prices paid for feeder livestock, fertilizer, and building and fencing supplies were running below last year.

Interest and taxes payable per acre were 7 and 5 percent higher, respectively, than in 1962. Farm wage rates were up 2 percent, but the number of hired hands through July this year has been almost 3 percent less than in January-July 1962.

Income Holding Up

Production expenses through June apparently rose at a faster rate than realized gross farm income. However, the average income of the Nation's farmers, during January-June 1963, was about as high as a year earlier, since the rate of decline in farm numbers over the past year approximated the rate of decline in aggregate income.

Mardy Myers
Economic Research Service



MORE COTTON EXPECTED TO MOVE NEXT MARKETING YEAR THAN LAST

Disappearance of cotton in the United States during the 1963-64 marketing year (August 1, 1963, through July 31, 1964) is estimated at 13.8 million bales. This is about 2.0 million bales more than estimated for 1962-63 and slightly more than the previous 5-year average of 13.6 million bales. Both mill use and exports are expected to increase during 1963-64.

Use of cotton by domestic textile mills during the 1963-64 marketing year is estimated at 8.8 million bales. This is 400,000 bales more than estimated for 1962-63. A pickup in the rate of use during recent months indicates larger mill use during 1963-64 than the relatively small amount used in 1962-63. The rate of use trended downward through the first half of the 1962-63 season, reaching the lowest level in January 1963 since February 1961. Following the January low, there appears to have been a cyclical upturn in the rate of mill use.

Mill use estimated for 1963-64 is based on an assumed high level of general economic activity. The estimate also assumes some rebuilding of pipeline stocks of cotton textiles during 1963-64 and no sharp increases in use of manmade fibers and imports of cotton textiles. Cotton use declined in 1962-63 because of increasing competition from manmade fibers and cotton textile imports. Uncertainty in the cotton industry about possible new cotton legislation also affected the amount used during 1962-63.

U.S. exports of cotton during the 1962-63 marketing year are estimated at 5 million bales, up from 3.4 estimated for 1962-63. Factors which will affect U.S. exports during 1963-64 include production and use of both cotton and manmade fibers in the foreign free world and changes in foreign stocks of cotton, particularly those in major importing countries.

Early season estimates indicate that production of cotton in the foreign free world in 1963-64 will decline about 500,000 bales from the record high in 1962-63. The use of cotton abroad is expected to increase about 800,000 bales

from 1962-63 and slightly exceed the record high in 1961-62. Increases in use are expected in most importing countries. In contrast, during 1962-63 the amount of cotton used declined in most major importing countries, with Japan having one of the largest declines.

The U.S. export estimate for 1963-64 also is based on the assumption that there will be some buildup in foreign free world stocks of cotton. At the end of the 1962-63 crop year nearly all exportable raw cotton supplies in foreign free world exporting countries had been shipped or committed and most importing countries carried over near-minimum stocks. Foreign free world carryover on August 1, 1963, is estimated at 9.3 million bales, the smallest since August 1, 1959.

The U.S. cotton crop for 1963 was estimated at 14.0 million running bales as of August 1. This is about 900,000 bales less than for the 1962 crop. Production is smaller for the 1963 crop because of smaller harvested acreage, 14.3 million in 1963 compared with 15.6 million in 1962. Cotton acreage allotments for 1963 totaled 16.4 million acres, 9.9 percent less than the 18.2 allotted for the 1962 crop.

The estimated per acre yield for the 1963 crop of 471 pounds is a record. It is 14 pounds above the 1962 yield and 5 pounds above the previous record-high yield of 466 pounds in 1958.

The carryover of all kinds of cotton in the United States on August 1, 1963, is estimated at 11.2 million bales. This is about 3.4 million bales more than on the previous August 1 and the most since the 11.3 million bales in 1957. The record-high carryover was 14.5 million bales on August 1, 1956. The estimated sharp increase in carryover on August 1, 1963, reflected both a large crop during the 1962-63 crop year and a sharp decline in disappearance.

James R. Donald
Economic Research Service



WORLD WOOL USE EXPECTED TO REMAIN AT HIGH LEVEL OF LAST 3 YEARS

The world wool situation at the beginning of the 1963-64 marketing season is subject to conditions similar to those of the season before. Wool carryover stocks are relatively low. Total use is expected to remain near the record levels of the previous 3 years. In addition, world population is on the increase, and standards of living are improving. Offsetting these factors are the anticipated record-high world wool production and the increasing use of manmade fibers. The outlook for prices in the 1963-64 marketing season is for relatively stable prices, moderately below the recent peak of June 1963.

The average price received by U.S. growers for shorn wool during April 1962 to March 1963 was 47.7 cents per pound, grease. This was 11 percent more than in the 1961 season and the highest since 1957. Incentive payments for the 1962 season amount to 30 percent of the dollar returns each producer received from the sale of shorn wool. This is the amount needed to bring the average price up to the previously announced incentive level of 62 cents. The payment rate on sales of unshorn lambs is 57 cents per hundredweight of live animals sold.

The average price received for mohair in the 1962 marketing season was 71.4 cents, per pound, grease. This was 17 percent less than in 1961 and below the previously announced support price of 74 cents. Therefore, payments are being made for the first time on mohair under the provisions of the National Wool Act. Payments are 3.6 percent of the dollar returns each producer received for mohair.

Our shorn wool production in 1963 is estimated at 241.2 million pounds, grease, 3 percent less than in 1962. The number of sheep shorn or to be shorn in 1963 is set at 28.4 million head, 4 percent less than last year. The expected average fleece weight is 8.50 pounds compared with 8.43.

U.S. mill use of apparel wool in 1963 can be expected to total about 255 million pounds, scoured, compared with

279 million in 1962, based on the seasonal adjustment of use in the first 6 months. This moderate decline in use is reflected in the rising inventories of finished wool fabrics and the declining number of unfilled orders. In addition to less use of wool, there is a shift to the medium grades of wool from the fine grades and greater use of other fibers.

Imports of dutiable raw wool and wool textile products increased during the first half of 1963. Dutiable raw wool imports were relatively high during early 1963 due to the short supply-stable demand situation and anticipated lower wool production in this country. Imports of apparel wool textile products continued at a high level during the first half of 1963. The largest increases were of knit wearing apparel, woven fabrics, wool tops, and yarns.

Carpet wool mill use in 1963 can be expected to total about 160 million pounds, scoured, compared with 148 million in 1962, based on the seasonal adjustment of use in the first 6 months. Wool's share of the total fiber used in the spinning of carpet yarns will be about the same as a year earlier. But more of the wools grading 40's to 46's will be used than previously. Use of the manmade fibers also will increase.

Imports of duty-free raw wool increased substantially during the first half of 1963, reflecting increased mill demand for carpet wool and the low stock position of early 1963. Carpet and rug imports during January-June 1963 were 30 percent less than the record high a year earlier.

Chuck Raymond
Economic Research Service



The Farmer's Share

In June the farmer's share of the consumer's food dollar was 36 cents, the same as it was in May. In June 1962, the farmer's share was 37 cents.

PRESSURE FOR HIGH BROILER PRODUCTION TO INCREASE

The broiler industry's capacity to produce will continue to increase over the next few months. This is reflected in the expansion currently underway in the Nation's broiler hatchery supply flocks—the flocks that provide the hatching eggs that go into incubators for the production of broiler chicks.

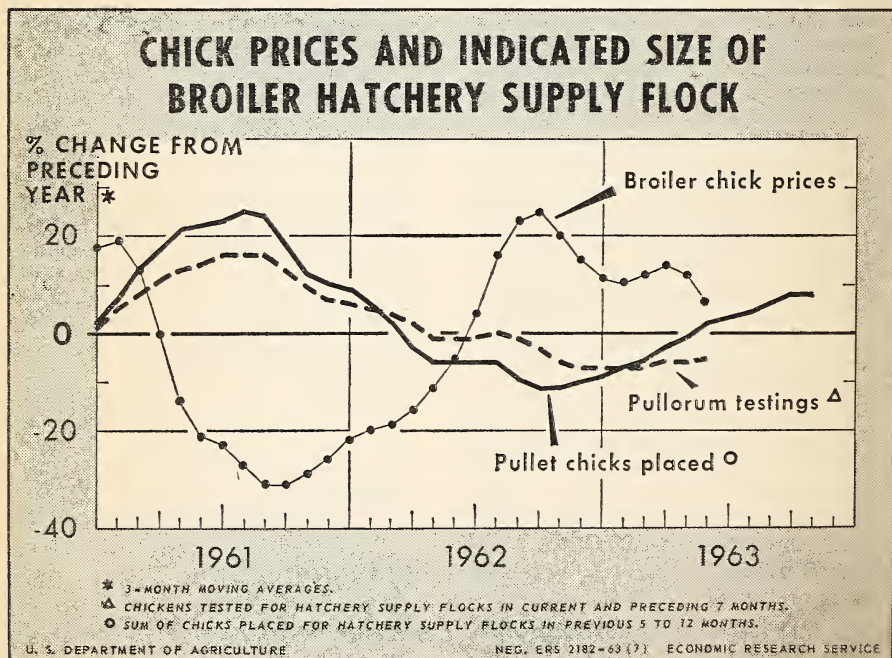
The enlargement of the Nation's hatchery supply flocks is expected to generate increasing pressure for high broiler output in the rest of 1963. In addition, the demand for broilers in the remaining months of 1963 is not expected to be as strong as in the year earlier period. Consequently, continued large production and lower prices than a year earlier are in prospect for broilers over the next several months.

Indications are that the expansion in the Nation's hatchery supply flock will continue through November. By

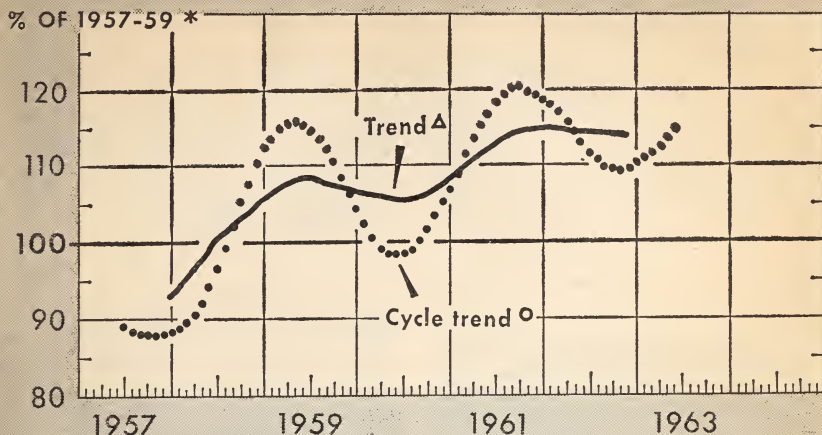
November there will be 10 percent more layers indicated in supply flocks than a year earlier. In January 1963 the indicated number was 6 to 8 percent less than in January 1962. Contributing to this trend were the large increases in the number of pullet chicks added to broiler hatching-egg supply flocks in recent months. Such additions were up from a year earlier by 32 percent in April-June.

If we look ahead to the second quarter of 1964, some relief for producers could develop. This would probably occur if the number of pullet chicks placed in broiler hatchery supply flocks is held 10 percent or more under last year's level for the next few months. An encouraging step in this direction has already been made by the 6-percent reduction from a year earlier in pullet chick placements that occurred in July.

Herman Bluestone
Economic Research Service



PULLET CHICKS PLACED FOR BROILER HATCHERY SUPPLY FLOCKS



* SUM OF PULLET CHICK PLACEMENTS FOR BROILER HATCHERY SUPPLY FLOCKS IN PREVIOUS 5 TO 12 MONTHS.
 ▲ 24-MONTH MOVING AVERAGE. ○ 12-MONTH MOVING AVERAGE.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2200-63 (7) ECONOMIC RESEARCH SERVICE

WORLD CATTLE NUMBERS RECORD HIGH IN 1963

World cattle numbers increased to 1.1 billion head in 1963, up 19 million from the previous year, 169 million above the 1951-55 average and 99 million above the 1956-60 average.

This world-high record in numbers is due principally to high prices received for beef and veal—prices resulting from demand in many countries as standards of living continue to rise. Per capita consumption of livestock products increases with consumer incomes.

Cattle numbers in 1962 increased 6 percent in Oceania and the U.S.S.R., 3 percent in North America, and 1 percent each in South America, Africa, and Asia. Europe was the only continent where numbers remained practically unchanged. Western Europe increased cattle numbers by 1 percent, while Eastern Europe declined 3 percent.

Seventeen countries have 10 million or more cattle, three countries have 75 million or more. India has the world's largest cattle and buffalo population

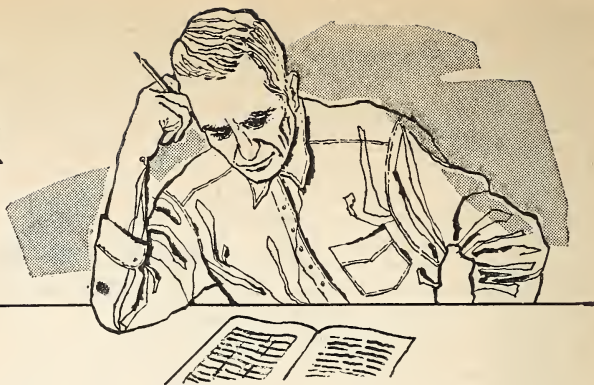
and leads with an estimated 235 million. These cattle and buffalo are used for dairying and as beasts of burden, but add little to the world meat supply because of religious beliefs in India. The United States ranks second with 103.8 million, and U.S.S.R. is third with 86.8 million. Communist China ranks fourth.

The majority of the principal livestock producing and exporting countries are developing or enlarging programs of research to improve breeds, eradicate diseases, and promote meat products in world trade. Slaughterhouses and freezing and meat processing facilities are being constructed or enlarged in New Zealand, Australia, Africa, Central and South America, the U.S.S.R. and other Iron Curtain countries.

John L. Gian
John S. DeCourcy
Foreign Agricultural Service



outlook



TURKEYS

The 1963 turkey crop may number 92.7 million birds, up from 92.3 million last year. Fall cold-storage stocks will probably be a little lower than last year. Prices during the holiday season may approximate the year-earlier level.

EGGS

Egg production and prices in the second half are not likely to differ much from year-earlier levels. Farmers this year are expected to raise fewer chickens for laying flock replacements than ever—314 million, or 1 percent less than in 1962.

TOBACCO

Exports of unmanufactured tobacco are expected to show some gain over 1962, when they were the second smallest in 8 years. Flue-cured makes up about 80 percent of the tobacco exports; its production for 1963 likely will be down 5 percent from last year. Burley output may be up slightly, and supplies on October 1 may be the largest ever.

FEED GRAINS

The total supply of feed grains for 1963-64 is estimated at about 208 million tons, 7 million less than in 1962-63. Slightly greater disappearance is expected than in 1962-63, so a further reduction in carryover is anticipated at the close of 1963-64.

If the outlook continues favorable for 1963 production, feed grain prices likely will decline seasonally in the next 2 to

3 months, and may average near the 1962-63 level this fall and winter.

The corn supply for 1963-64 is estimated at 5,138 million bushels, 147 million less than in 1962-63. Carryover may decline in 1963-64, but probably by less than the reduction of 365 million bushels in 1962-63.

The supply of grain sorghum in 1963-64 is expected to be about 6 percent below 1962-63. The oat supply is down 4 percent, and barley is down 3 percent.

DAIRY

Monthly milk production continues below a year earlier and cow numbers keep declining . . . midyear estimates showed 16.6 million milk cows, down 2.8 percent from 1962. But dairy supplies exceed domestic and export uses: Stocks of manufactured products and cream (including butteroil) were record high on June 30, at 15.6 billion pounds milk equivalent, although accumulation during the first half was below a year earlier, and USDA purchases were down.

LIVESTOCK

Red meat consumption likely will be 167 pounds per person this year, 3 pounds more (mostly beef) than in 1962. The continuing trend to beef may help keep cattle prices in the second half above the second-quarter level, although below the relatively high year-earlier level. The price of feeder stock this fall may be somewhat below a year earlier. The upswing in cattle numbers—maybe 3 percent over last year—

probably will continue another couple of years.

Hog prices this fall: Only a modest seasonal decrease is expected with the average about like last fall. The size of the fall pig crop will be important in deciding early-1964 hog prices . . . if farrowing intentions are carried out, a price decline (nearly to last winter's low) is likely; a significantly reduced pig crop would tend to hold prices up. Lamb prices, with reduced slaughter this year, likely will average slightly higher in the remainder of 1963 than a year earlier.

WHEAT

The 1963 wheat crop totals 1,151 million bushels, according to the August 1 Crop Report. Beginning carry-over for the current marketing year was 1,189 million bushels. Total supply in 1963-64 is down substantially from the high level in 1960-61, and heavy disappearance is expected . . . so carry-over next July 1 probably will be reduced for the third consecutive year.

These conditions point to strong prices for wheat during most of 1963-64. Toward the end of the year, however, prices will weaken because of a substantially reduced loan rate on the 1964 wheat.

FATS AND OILS

The supply of edible fats, oils, and oilseeds during the marketing year, starting October 1, may total about 16.7 billion pounds, slightly above the record quantity during the year now ending. Domestic disappearance may rise by 125-150 million pounds. Exports of edible vegetable oils (cottonseed and soybean), lard, butter, and soybeans likely will go somewhat above the record 4.5 billion pounds estimated for 1962-63.

FRUIT



Supplies of grapes this year will be substantially larger than a year ago because of a record crop in California. An expansion in raisin output is expected. Supplies of fresh peaches, however, during late summer and early fall, will be down because of light crops in the marketing States. Marketings of fresh pears also will be down considerably because of a short crop.

BEE COLONIES SUFFER ABOUT SAME WINTER LOSSES AS YEAR EARLIER

There were 5,559,000 colonies of bees on hand July 1 in the United States (48 States). This was 1 percent more than a year earlier and 3 percent above the 1957-61 average.

Compared with last year, colony numbers were up 3 percent in the West North Central, 2 percent in the South Atlantic and South Central, and 1 percent in the North Atlantic and Western States. Numbers were down 3 percent from last year in the East North Central region.

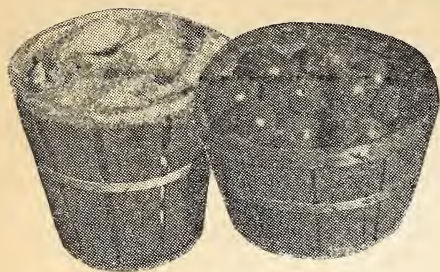
Colony losses during last winter and this spring averaged 16 percent of the colonies entering the winter, compared with 15 percent a year earlier. Winter and spring losses were 22 percent in the East North Central, 21 percent in the West North Central, 19 percent in

the North Atlantic, 15 percent in the West, 11 percent in the South Central, and 10 percent in the South Atlantic States. Losses were 28 percent from winter killing, 25 percent from starvation, 19 percent queenless, 3 percent from foul brood, 3 percent from spray poisoning, 3 percent from insects, 2 percent from dysentery and rodents, and 17 percent from various other causes.

The condition of colonies, expressed as percent of normal, on July 1 was 85, compared with 87 last year. The July 1 reported condition of nectar plants was 75, compared with 82 a year earlier. Plant conditions in some areas were affected by dry weather.

D. T. Mateyka
Statistical Reporting Service

1964 ACREAGE MARKETING GUIDES FOR WINTER VEGETABLES



An overall cut of 7 percent in 1964 winter vegetable acreage will be needed to balance supplies and demand, according to USDA's Acreage Marketing Guides. A 2-percent reduction is recommended for the winter potato crop. The USDA guides are based on expected market demands for the principal vegetable crops.

Here are some of the most important recommendations:

Carrots: The volume of carrots was excessive during all of last winter. Returns per acre were low in all areas. A 20-percent cut in acreage is necessary to get supplies back in step with demand.

Celery: Increased plantings and poor weather contributed to the unstable celery market last winter. Prices were low during most of the season. For better market balance next year, USDA recommends a 7-percent smaller acreage in Florida and California and no change in Arizona.

Lettuce: Winter lettuce production has exceeded 10 million hundredweight for four straight seasons. And in the last two, this quantity has been marketed successfully. With average yields in 1964, however, a crop about equal to that in 1963 can be grown on less acreage. USDA recommends a 5-percent reduction in plantings in Florida, California, and Arizona, with no change in Texas.

Tomatoes: In the last 3 years Florida growers produced very large winter tomato crops. Periods of excessive supplies and low prices occurred each year. To help the market situation in 1964, USDA recommends a 10-percent cut in acreage.

Spinach: Supplies were light last year because of adverse weather. In 1964, there should be a good demand for a much larger crop. So USDA recommends a 15-percent boost in acreage in Texas. But in California average yields on an acreage equal to last year would result in a sufficient increase in production.

Green Peppers: Market prospects look favorable for Florida's green pepper crop. Although USDA recommends a 5-percent acreage reduction, normal weather would provide an increase in production of nearly a tenth.

Sweet Corn: Market demands for sweet corn should remain high, but a moderately smaller production in 1964 would improve the prospects for a favorable marketing season. A cut of 5 percent is recommended in 1964 winter sweet corn acreage.

Winter Potatoes: Fewer winter potatoes will be needed in 1964. In recent years fall crop production and the resulting storage supply have been building up. In addition, holdings of processed potatoes have increased. Heavy competing supplies are likely again next winter. Therefore USDA urges a 5-percent reduction in winter acreage in Florida. Plantings equal to 1963 are suggested for California.

Cucumbers: Although growers had some difficulty with late-season marketings, both domestic and imported cucumbers found good prices during most of last winter. Imports of foreign cucumbers may increase next winter, but how much will largely depend on the price in this country. USDA urges a 10-percent greater cucumber acreage in 1964. With an even harvest pattern, market conditions should be favorable.

These are just some of the highlights of the guides which are prepared by specialists, studying the markets for each commodity the year around. For more information you can get a free copy of the guides by writing to us.

The address is:

*Agricultural Situation
OMS Division of Information
U.S. Department of Agriculture
Washington, D.C. 20250*

HOW MUCH IS BEING SPENT IN THE UNITED STATES THIS YEAR FOR FOOD?

The amount spent for food in 1963 is expected to top 1962 expenditures by about 3 percent. Total food use in 1963 probably will rise about 2 percent, and retail food prices may well average a little higher than in 1962. Population is expected to rise about 1.4 percent.

In the first half of the year food expenditures were about 3 percent larger than in the first half of 1962. Retail food prices averaged 1.5 percent higher. Total sales of all food stores were up 3 percent and sales of eating and drinking places rose 5 percent.

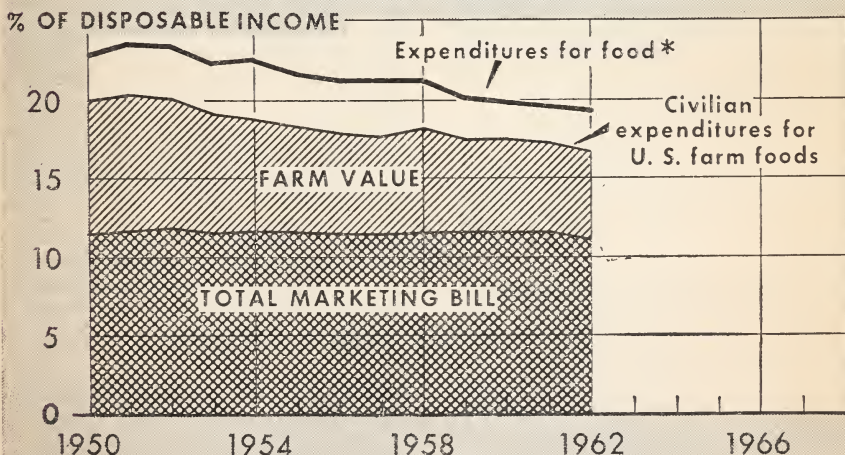
Consumer expenditures for food totaled \$73.6 billion in 1962. Money paid for alcoholic beverages amounted to another \$10.7 billion. Of this total \$84 billion, about 75 percent was spent for food and beverages purchased in stores and consumed at home or elsewhere. Another 22 percent was spent for meals and drinks. Less than 2 percent was used by Government (including military) and commercial employees. Food produced and used on farms, valued at about \$1 billion, made up a little over 1 percent of the total.

People with high incomes spend more money for food than those who earn less, but food expenditures typically rise more slowly than incomes. In 1962, 19.1 percent of disposable personal income was spent for food, down from 23.5 percent in 1951 (see chart). The rate of decline has been quite steady and likely will continue.

"Civilian expenditures for U.S. farm foods" omits imported foods, fish and other seafoods, home-produced food, and food furnished by the Government to the Armed Forces. This expenditure series is comprised of the farm value and total cost of marketing (including processing) these foods. The total marketing bill has remained remarkably stable in recent years, when measured as a percentage of after-tax income. In contrast, farm value has declined sharply. It reflects declining farm prices, as total food use increased substantially between 1950 and 1962.

Stephen J. Hiemstra
Economic Research Service

FOOD EXPENDITURES RELATIVE TO INCOME



* PERSONAL CONSUMPTION EXPENDITURES FOR FOOD, LESS ALCOHOLIC BEVERAGES.

SCHOOL LUNCHES MADE UP OF FOODS PRODUCED IN UNITED STATES



During this school year 16 million U.S. children will have 2.7 billion lunches.

Through its nationwide service to children, the National School Lunch Program has helped develop new and wider markets for many U.S.-produced foods.

This is part of the dual objective of the program, established in 1946 to safeguard the health and well-being of our Nation's youth and to expand agricultural markets.

In recognition of the school lunch program's achievements, last year Congress requested the President to proclaim annually the observance of National School Lunch Week. For 1963, the week starts October 13.

The program, administered by USDA's Agricultural Marketing Service, is itself an important outlet for tremendous quantities of U.S.-produced foods—well over \$800 million worth last year.

Eighty percent of this food is bought by schools from local suppliers. The remainder is made up of contributions of food and cash from the USDA to assist local schools in providing nutritious lunches at low cost to children.

Historically, school lunch has given great impetus to development and expansion of markets for nonfat dry milk, stabilized dried eggs, and canned citrus products.

More recently the program has broadened outlets for pork, broiler-fryer chickens, and ground beef, and has introduced such new products as rolled wheat and bulgur made from hard red winter wheat.

—Rolled wheat was introduced to school lunch programs through USDA purchases. It met with such enthusiastic response from school lunch managers that the wheat industry initiated new market development work by conducting tests last summer in Oklahoma retail stores.

Last year, canned pork, federally purchased for school lunch, was given slightly different processing, for more versatile use in school lunchrooms. Packed in natural juices instead of gravy, the pork product was so well accepted that many school lunch managers are now buying it from local tradesmen.

Many regional foods such as sweet potatoes, purple plums, cornbread, and Bartlett pears have found new geographic markets through the National School Lunch Program. After Bartlett pears had been introduced to the program, a storeowner in Louisiana reported he couldn't keep enough canned Bartletts on the shelf to meet the new demand.

By serving a variety of foods in complete meals, the National School Lunch Program encourages children to become educated food shoppers who will buy, and eat, many different foods.

Annabelle Friedman
Agricultural Marketing Service

FARM LABORERS TODAY

Years ago, all a hired farmhand needed was a strong back. Today, of the million and a half men hired to work for wages on farms for at least 25 days, almost half are experienced in some mechanical skill, either in major repair and maintenance or the

operation of farm machinery. About one-third of the men run tractors or trucks, while only one out of three works at unskilled hand labor.

On a regional basis, the South has the highest proportion of unskilled farm laborers—60 percent of the region's farm working force.

The Farm Index

MILK COW NUMBERS DECLINE

Milk cows on farms in the United States in June 1963 totaled 16,632,000, down 3 percent from June 1962. During the last 10 years, the number of milk cows has been reduced 23 percent. Numbers declined rapidly from 1954-59, with an average annual loss of 3.6 percent. However, the rate of decline was slower during the years 1960-62, averaging 1.3 percent annually.

Wisconsin, Minnesota, New York, Pennsylvania, Iowa, California, Ohio, Michigan, Missouri, and Texas, in that order, are the 10 leading States in number of milk cows. These States account for 57 percent of the U.S. total.

New Hampshire, Rhode Island, Florida, New Mexico, Arizona, Nevada, and Hawaii are the only States in which June milk cows did not decline from a year ago.

PEANUT FORECAST . . . SLIGHTLY MORE THAN IN 1962

The 1963 peanut crop is forecast at 1,838 million pounds (August 1 estimate), compared with 1,810 million in 1962. Peanut acreage picked and threshed, at 1.4 million acres, is about the same as last year. Increased production this year is due mainly to a prospective yield of 1,312 pounds per acre, about 2 percent above that of 1962.

Total supply of farmers' stock peanuts for the 1963-64 marketing year (began on August 1, 1963) is 2,200 million pounds, up slightly from last year. Based on recent trends in peanut consumption and farm use, about 20 percent of the 1963 crop will be available for crushing, exports, and additions to stocks.

Peanut prices to growers in 1963-64 are expected to average about \$224 per



Increased peanut production this year is due mainly to a greater output per acre.

ton, the CCC support rate for 1963 crop peanuts.

Stanley A. Gazelle
Economic Research Service

POPCORN PROSPECTS

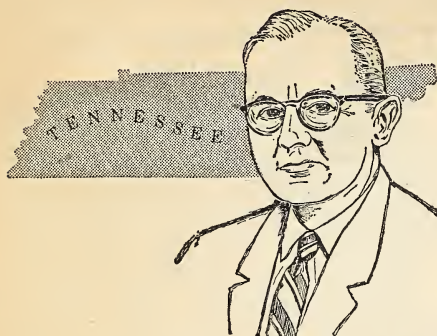
Popcorn growers expect to harvest 108,000 acres this year, 40 percent below the 178,000 acres harvested last year. This would be the smallest acreage since 1947, when only 84,000 acres were harvested.

Indiana leads in popcorn acreage for

harvest with 25,500 acres; Iowa is second with 22,000 acres and Kentucky next with 12,600 acres. Nebraska follows with 12,000 acres and Illinois comes next with 11,000 acres.

Crop prospects as of August 1 this year were good to excellent.

Meet the State Statistician . . .



S. THEODORE MARSH

Thirty-six years tenure as statistician in charge of the Tennessee office makes Ted Marsh the "dean" of the State statisticians. Not content with this distinction, he wants to cop a 40-year pin, due in July 1964, before retiring.

Marsh considers it great, good fortune that his long span of service was in Tennessee. Although his collection of State statistics gives no indication of how Tennessee ranks with tourists, Marsh believes that there is no mountain area in the world as blessed with pretty scenery as Eastern Tennessee. He is genuinely delighted with the rest of the State too—the mountain streams and many miles of lake shoreline that attract fishermen from all over the country.

Agriculturally, Tennessee ranks about midway in importance among the States in cash receipts; she ranks fifth in number of farms, tenth in number of counties, and very high in the number and variety of crops.

Tennessee is not the only good thing to have befallen Marsh. Way back in 1914 he won a new Ford in a contest which enabled him to drive to school at the early age of 15.

His birthplace, a farm near Johnston, S.C., is still in the family and is the home of his 86-year-old mother. Today it produces pine timber and pecans, but when he was a boy, his projects were raising and selling cotton, eggplants, okra, peanuts, Tamworth hogs, and caring for a small dairy herd of six cows.

From selling farm produce he went on to sell Saxon automobiles and, later, aluminum cookware.

Marsh was graduated from the School of Business Administration at the University of Pittsburgh, Pa., in 1920, and years later did graduate work at the University of Tennessee.

In 1920, he entered the cotton business with his father. During that year, a year of near panic when cotton fell to below 10 cents a pound, he left this career for a sales job in Florida.

In 1924, he passed a 2-day Civil Service examination and was assigned to the South Carolina office of the Crop Reporting Service. After a few months he was promoted to assistant statistician in Texas—moved back to South Carolina as assistant statistician and finally was placed in charge in Tennessee in 1927.

Mrs. Marsh is the former Vivian Edwards of Saluda, S.C. The couple have two sons. A 3-year-old granddaughter and two grandsons, both born this year, round out the family album.

Retirement holds challenges for S. Theodore Marsh quite apart from anything he has undertaken in the past. Alarmed by the national disgrace of 41,000 highway deaths annually, he plans to devote his time to developing a more effective national road safety program that may help to reduce the awful toll.

LITTLE CHANGE FROM LAST YEAR IN CRANBERRY PRODUCTION

The mid-August forecast of cranberry production shows that there will be almost as many cranberries in 1963 as last year. Production is expected to total 1.3 million barrels, 1 percent less than in 1962, but 9 percent above average. In only 2 other years, 1960 and 1962, were more cranberries produced.

Massachusetts Leads

Massachusetts, which usually produces about half of the country's cranberries, continues to be the most important cranberry State, but its estimated production of 630,000 barrels is down nearly 20 percent from last year. Hot, dry weather during July was particularly damaging to the Massachusetts crop. New Jersey also has a much smaller crop than last year, with production expected to total 76,000 barrels, which is not quite three-fourths as large as the 1962 crop.

Other States

In Wisconsin, Washington, and Oregon (the other cranberry-producing States) the 1963 crop is much larger than last year's. Weather conditions in all three of these States favored a good set and have resulted in satisfactory development of the berries. Wisconsin is the second most important cranberry State and expects a crop of 428,000 barrels this season, an increase of 19 percent over last year. The Washington crop is 2½ times as large as in 1962 with 138,000 barrels in prospect. The Oregon forecast is 45,600 barrels, 55 percent larger than last year's crop.

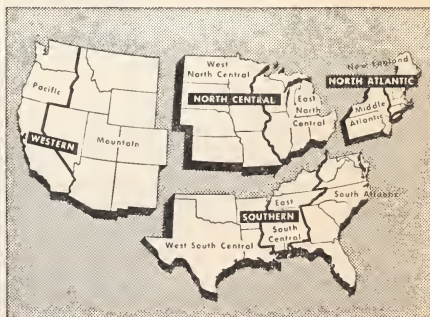
Earl L. Park
Statistical Reporting Service

September 1963

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Editor: William Whyte



UNITED STATES
DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE
WASHINGTON, D.C. 20250

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